



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 20, 1996

Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs
Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84004-6001

Re: Permit Amendment, Dry Fork Canyon Water Management Project, Kennecott Utah
Copper Corporation (KUCC), Bingham Canyon Mine, M/035/002, Salt Lake County,
Utah

Dear Ms. Dorward-King:

The Division has completed its evaluation of your latest letter (dated September 30, 1996) wherein you formally withdrew KUCC's request for our review of the Dry Fork Canyon Water Management permit amendment. After a series of unfortunate setbacks, we were finally able to meet with you onsite on December 13, 1996, to discuss KUCC's water management operations at the Bingham Canyon mine complex. We appreciate the opportunity to increase our understanding of KUCC's complex water management process and the time you and your staff devoted to our visit. We also thank you for providing the requested topographic and surface facilities maps of the Bingham Canyon mine complex. These comprehensive maps will supplement the information in the existing mining and reclamation plan and help us gain a better understanding of the current surface facilities associated with this mine.

With reference to your request to withdraw the Dry Fork permit amendment, the Division does not concur with your rationale that it is "not a mining related facility or operation". We are of the opinion that this water management facility is no different than any other water management facility constructed to minimize or reduce mining related impacts to surface and ground water resources.

We agree with KUCC's assumption that there may be a continued post mining land use for the proposed water treatment facilities. We also acknowledge that the clean water intercepted by the catch basins and well located upgradient of the Dry Fork dumps, could



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Page 2

Elaine J. Dorward-King

M/035/002

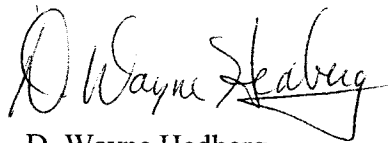
December 20, 1996

ultimately be used to address specific requirements of the Natural Resources Damage (NRD) settlement. However, the future use of the clean water does not change the fact that these structures are mining related and are intended to reduce surface water impacts related to mining. Please describe how KUCC proposes to provide continued maintenance of the water management facilities following closure and reclamation of the mine. Please provide any supplemental information which supports and strengthens KUCC's position for the continued post mining use of these facilities. Without sufficient supporting documentation, we are not prepared to change our position that this facility should be properly bonded and reclaimed upon mine closure.

The latest maps, which were received during our December 13th meeting, adequately address our July 23, 1996, deficiency comment under rule R647-5-105.2. Your September 30th response partially satisfies our comment under rule R647-4-106.2, paragraph two. Please reference our July 23, 1996, review letter for a listing of the remaining technical concerns which need to be addressed before we can grant approval of this permit amendment.

Please contact me if you have further questions or concerns regarding this letter. We would like to resolve the remaining technical concerns as soon as possible. Thank you for your cooperation in completing this permitting action.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb

cc: Mary Ann Wright, DOGM
Minerals staff (route)

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